



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

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CMS Calls on House to Vote on Legislation to Comply with Affordable Care Act

Legislation protects State universities from Affordable Care Act penalties

SPRINGFIELD – Illinois Central Management Services Acting Director Michael Hoffman today joined legislators in advocating for a House vote on Senate Bill 2314, which would bring the State Employee Group Insurance Plan (SEGIP) into compliance with the Affordable Care Act's definition of full-time employees. The legislation would protect State universities from financial penalties by expanding the eligibility of employee health insurance coverage to those who don't currently meet the federal definition of a full-time employee.

Beginning in July, if the State and each university does not offer healthcare coverage to at least 95% of employees who are eligible under the Affordable Care Act, institutions not in compliance will be assessed a penalty. SB2314 expands the eligibility of SEGIP to ensure that the State and universities meet the 95% threshold, at zero cost to the state. The legislation passed unanimously in the Senate and is currently awaiting a vote in the House.

"I am urging the House to take action on this critical legislation to bring our universities into compliance with the ACA," said Acting Director Michael Hoffman. "This is important legislation that protects State universities from avoidable federal penalties and should be considered by the House."

Currently, five state universities would be impacted by the new federal standard if the SEGIP eligibility is not expanded. These include the University of Illinois, Southern Illinois University, Northern Illinois University, Illinois State University, and Eastern Illinois University, whose combined penalty would be approximately \$85 million dollars for being below the healthcare coverage eligibility threshold. Chicago State University and Western Illinois University are also at risk of falling below the 95% eligibility level, which would have an estimated impact of approximately \$1.8 million and \$3.9 million respectively.

"I am urging House Speaker Madigan to release Senate Bill 2314 out of Rules Committee immediately so it can receive a vote in the chamber," State Sen. Sue Rezin (R-Peru) said. "This legislation is extremely important because if it's not enacted, the budgets at all our universities will be negatively impacted due to penalties for not complying with the Affordable Care Act. In a time where budgets are tight, the last thing higher education needs are financial penalties that could easily be avoided. Let's get this passed."

"Speaker Madigan refuses to give consideration to a commonsense bill that would expand insurance coverage for State employees," said Rep. Margo McDermed (R-Mokena). "If we don't pass this bill we risk hiking up costs at our already cash strapped State universities because of non-compliance penalties. The bill passed unanimously from the Senate and it's fiscally irresponsible to keep this bill tied up in the House."

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